

Fiscal Note

Fiscal Services Division



HF 540 – Motor Vehicle License Plates (LSB1764HV)

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Fiscal Note Version – Corrected

Description

HF 540 reduces the number of license plates provided to owners of motor vehicles from two to one. Vehicle owners are required to place a single plate on the rear of the vehicle. Changes are effective on July 1, 2015. Tractor trucks and motorcycles are not impacted by this Bill.

Background

Currently, two license plates are produced for each motor vehicle registered. Owners are required to display these plates on the front and rear of the vehicle. Registered vehicles model years 1948 and older may display a single registration plate (Iowa Code section [321.37](#)). License plate production costs are provided for in Iowa Code section [312.2](#)(3), but are not directly associated with fees deposited to the Road Use Tax Fund (RUTF).

Assumptions

In FY 2015, two standard plates cost approximately \$3.40 to produce. It is estimated that producing one plate will decrease production costs by 32.0% or \$1.08. The DOT issues 875,000 plates to relevant vehicles on average.

Fiscal Impact

HF 540 is estimated to reduce license plate production costs by \$893,000 per year. This will reduce transfers from the RUTF to cover production expenses by \$893,000 each fiscal year beginning in FY 2016.

Sources

Iowa DOT
Iowa Prison Industries

/s/ Holly M. Lyons

March 10, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
